

REFLECTIONS ON THE EVOLUTION OF CAPITAL MARKETS FOR SHIPPING

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TOPICS

- **INVESTOR BASE IN SHIPPING TODAY**
- **ANALYST RESEARCH, ONLINE INVESTMENT PLATFORMS & SOCIAL MEDIA**
- **LISTING AND CORPORATE STRATEGY & COMMUNICATION & ESG**

INVESTOR BASE IN SHIPPING TODAY

1. Institutional Investor base in shipping has expanded but remains small
2. Covid & Geopolitics raise the profile of shipping
 - No shipping – No shopping motto
 - Energy security & energy transition themes
 - Shipping and the global supply chain – shipping as an industrial activity
3. Retail Investors become more involved with shipping – not to be ignored
 - In the US, retail investors hold significant percent of the float even of the larger shipping companies



ANALYST RESEARCH, ONLINE INVESTMENT PLATFORMS & SOCIAL MEDIA

ANALYST RESEARCH

- Overall, research on shipping stocks is diminishing;
- Major investment banks pulled out of research – or diminished coverage expanding into other sectors;
- Most Scandinavian banks have maintained their focus on shipping;
- In general, research (valuable as it is) is becoming less important to institutional investors (regulatory issues and inhouse analysts)

ONLINE INVESTMENT PLATFORMS

- Ascendance of Online Investment Platforms which provide a lot of information including independent research to a broader investor base (Seeking Alpha, Benzinga and more)

SOCIAL MEDIA

- Extensive use of social media to reach out to a wider investor, financier and industry audience (Twitter, LinkedIn, YouTube and more)



LISTING AND CORPORATE STRATEGY - COMMUNICATION & ESG

LISTING AND CORPORATE STRATEGY

- The private – public dilemma – especially at a time when most shipping companies are cash rich
- When it comes to a public listing - size matters
- Diversification – single sector or multi-sector entities?
- How do you value a company? Based on NAV, Cash Flow? Dividend Yield?
- Capital Allocation - what builds shareholders value – longer term vs shorter term considerations
- Remember – investors are migratory birds – by definition their mission and horizon differs;

COMMUNICATION & ESG

- Increasing focus on ESG – pressures from regulators, trading partners, investors, stakeholders
- ESG – sometimes discussion focuses more on the environment given all the regulatory demands – but social and governance issues remain equally important
- In terms of company communications, one unified corporate message - industry, investment and financial community